



April 1, 2005

Mr. Gary M. Jackson, Assistant Administrator
Office of Size Standard
U.S. Small Business Administration
409 Third Street, SW, Mail Code 6500
Washington, DC 20416

Dear Mr. Jackson,

Small Business California is very concerned about the newly proposed size standard. It is our understanding that 34,100 businesses would be disqualified and 35,200 new businesses would be added by these changes.

We are concerned about the 34,100 businesses that would be disqualified, many of which are in clusters of industries including restaurants, retail, various services and tourism. Those companies relying on large part time and seasonal staff would see significant and potentially damaging effects if these new standards were adapted.

We are also concerned about that non small business venture capital companies be eligible for participation in the Small Business Innovation Research Program. Allowing companies who are controlled and /or owned by large venture capitol companies would create unfair competition for other small businesses that do not have similar financial backing.

Thank you for the opportunity to connect on this issue.

Sincerely,

Scott Hauge
Small Business California, President